OFFICE OF INTERNAL AUDIT
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MEMORANDUM

November 12, 2026

To: Maryam Thomas, Ed.D., Instructional Director
Innovation and Performance Area Schools

RaeShauna Mboma, Principal
Francis Scott Key Elementary School

From: Deana Thorps, CPA Director
Office of Internal Audit

Re: Francis Scott Key Elementary School Financial Audit for the Period July 1, 2020, through May 31, 2026

An audit of the financial records of **Francis Scott Key Elementary School** was completed for the period July 1, 2020, through May 31, 2026. The audit indicates that the school's financial records and procedures required improvement to be in accordance with the Accounting Procedures Manual for School Activity Fund (APM) and Prince George's County Board of Education (BOE) policies and procedures. The exceptions noted are included in the attached report.

As principal of the school, you will be responsible for preparing an action plan by **December 12, 2026**, indicating steps that will be taken to ensure compliance with the APM. Please note that you are required to provide your action plan using the attached Microsoft Word template and any other correspondence to the Internal Audit Office email address: Internal.Audit@pgcps.org. Please forward the response as a Microsoft Word document. A copy of the response should also be forwarded to Shaquana Mitchell, Business Analyst, email address: Shaquana.Mitchell@pgcps.org, Katrina Greene, Student Activity Fund Support Specialist, email address: Katrina.Greene@pgcps.org and to Roderick Adams, Administrator, Compliance and Procedures, email address: Roderick.Adams@pgcps.org.

cc: Branndon Jackson, Chair, Board of Education
Members, Board of Education
Shawn Joseph, Ed.D., Superintendent
Deann Collins, Ed.D., Chief of Staff
Carletta Marrow, Ed.D., Chief of Schools
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PRINCE GEORGE'S COUNTY
PUBLIC SCHOOLS

School Activity Fund Report –
Francis Scott Key Elementary School
July 1, 2020 – May 31, 2026

Table of Contents

INTERNAL AUDITOR'S REPORT…… 3
BACKGROUND……...…… 4
OBJECTIVES ……...……4
SCOPE……...…… ... 4
FINDINGS AND RECOMMENDATIONS 4
STATUS OF PRIOR AUDIT FINDINGS 10
ACKNOWLEDGEMENT 11

Internal Auditor's Report

We have examined the School Activity Funds (SAF) of Francis Scott Key Elementary School for the period July 1, 2020, through May 31, 2026. Francis Scott Key Elementary School's principal is responsible for the administration of SAF. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and Generally Accepted Government Auditing Standards and, accordingly, included examining, on a test basis, evidence supporting SAF, and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

Our examination disclosed the following **seven** findings:

- *Funds Deposited Without Appropriate Documentation*
- *Mismanagement of Disbursements*
- *Administration of Fundraisers*
- *Delinquent Monthly Bank Reconciliations*
- *Records Retention*
- *Administration of Vending Machine Contracts*
- *Improvement Needed in Management Oversight*

In our opinion, except for the deviation noted, the SAF referred to above, was administered in compliance with Prince George's County Public Schools' (PGCPS) Board of Education (BOE) policies and procedures and the Accounting Procedures Manual for School Activity Funds (APM), in all material respects, for the period ended May 31, 2026.

Deana Thorps, CPA, Director
Office of Internal Audit

BACKGROUND

Internal Audit completed an audit on the school activity funds (SAF) for Francis Scott Key Elementary School for the period July 1, 2020, through May 31, 2026. The audit was conducted as part of the department's annual audit plan.

This audit report includes **seven** findings that occurred under the leadership of the current principal. A listing of the findings and the personnel responsible is included in the appendix at the end of the audit report.

OBJECTIVES

The objectives of the audit were to determine the effectiveness of the system of internal controls and to determine whether the school was in compliance with the policies and procedures of the Accounting Procedures Manual for School Activity Funds (APM) and the Board of Education (BOE). It is important to recognize that, while the audit report focused on deficiencies, it was intended to be constructive. The audit was not designed and conducted to evaluate the effectiveness of the educational programs in the school. Therefore, the absence of comments related to the educational programs should not be construed to imply that these programs are either adequate or deficient.

SCOPE

The audit was based on our examination of selected bank statements, financial reports, canceled checks, all voided checks and available Monetary Transmittal Form (MTF) envelopes submitted by staff for the period July 1, 2020, through May 31, 2026. Also, selected receipts, disbursements, and supporting documentation were reviewed for the said period. The audit results were based on available documentation.

This is an audit of funds related to students' activities at the school and does not include School Operating Resources (SOR) funds or any funds not derived from students' activities for the audit period.

FINDINGS AND RECOMMENDATIONS

The audit resulted in the following findings and recommendations:

2027.01 Funds Deposited Without Appropriate Documentation

There were **four** instances where vending commissions and fundraiser proceeds were remitted to the school's administrative office. The recordkeeping staff deposited these funds without the MTFs being completed.

The APM Section 4.5.2.2(1) *Collecting Funds: Completing the MTF* states that staff members collecting money are required to complete a Monetary Transmittal Form and submit it to the recordkeeping staff along with the funds collected.

There is no specific staff member designated to receive funds remitted to the administrative office for staff vending machine commissions or for *The Clothes Bin* fundraiser proceeds. The recordkeeping staff was unable to complete the MTFs while maintaining appropriate segregation of duties and reported difficulty in receiving assistance from other staff members with completing MTFs for these receipts. The recordkeeping staff deposited these funds to avoid holding funds beyond the established timeframe. Assistance was obtained from another staff member to complete the MTFs after the funds had already been deposited.

Internal controls are compromised and the risk for loss of funds is increased when documentation to substantiate funds received by the school is not completed appropriately.

Recommendation: The principal should designate a specific staff member to be responsible for receiving staff vending commissions and *The Clothes Bin* fundraiser proceeds and any other funds received directly in the administrative office. This staff member must complete the appropriate MTF documentation for submission along with the funds remitted to the recordkeeping staff.

2027.02 Mismanagement of Disbursements

There were at least **six** instances of non-compliance regarding the administration of disbursements.

A. ***Inadequate Pre-Approval of Expenditures:*** There were at least **four** instances where School Funds Expenditure Forms (SFEF) were not appropriately approved by the principal prior to disbursements being made.

B. ***Delinquent Reimbursement and/or Vendor Payments:*** There were at least **two** instances where vendor payments were not processed timely, resulting in delinquent payments of seven and **65** days.

The following criteria are established in the APM for administering disbursements:

A. Section 4.5.3, *Cash Disbursements* require SFEFs to be completed and signed by the principal prior to ordering or purchasing goods or services.

B. Section 4.5.3 (2) *Inclusion of Supporting Documentation* requires reimbursements and/or invoices to be paid within 30 days of receipt or by the listed due date.

The following summarizes the causes of the deficiencies noted:

A. The noted instances of noncompliance regarding the pre-approval of expenditures resulted from oversight by the principal.

B. The school facilitated a professional development and tutoring event in May 2024. The event was originally planned to be funded using Title I funds which was ultimately not approved. The recordkeeping staff subsequently contacted the Accounting and Financial Reporting Office (AFRO) in June 2024 for approval to pay the invoice using residual SAF allotment funds and completed a SFEF to disburse the funds which resulted in tardiness in the first instance.

   The school conducted a Book Fair fundraiser in March 2025. The corresponding invoice for books and supplies was dated May 14, 2025, and listed the due date as March 17, 2025. The school paid the invoice upon receipt on May 21, 2025, in the second instance.

The following are the potential effects of the mismanagement of disbursements:

A. Failure to obtain pre-approval of the principal can result in inappropriate and unauthorized purchases demonstrates noncompliance with disbursement guidelines.

B. Delinquent payments can affect the availability of funds as reported in the school's financial reports and impact the principal's ability to make fiscal decisions. It can also impact the school's relationship with vendors.

Recommendations: The following are recommendations suggested for proper management of disbursements:

A. The principal and recordkeeping staff must implement and enforce internal controls to ensure pre-approval is obtained and documented on SFEFs prior to purchases being made.

B. Staff should ensure that invoices are remitted timely to the recordkeeping staff for payment. The recordkeeping staff should ensure that all invoices are paid in a timely manner. The principal must hold the staff and the recordkeeping staff accountable for compliance.

2027.03 Administration of Fundraisers

The school conducted at least **13** school-wide fundraisers during the audit period where annual reports summarizing the school's fundraising activities were not completed.

Additionally, multiple Book Fair fundraisers were conducted during the audit period where the school's recordkeeping staff acted as the fundraiser sponsor.

APM Section 5135.1, *Fundraising* requires schools to complete the Fundraiser Request and Authorization Forms and Fundraiser Completion Reports for sponsored fundraisers. Annual reports summarizing fundraising activities for all fundraisers are also required. These documents must be maintained on file for public and auditor review upon request.

APM Section 7.2.1 *Fundraisers, General Guidance* states that "the bookkeeper is not authorized to be in charge of a fundraiser."

Annual summary reports were not completed for the school-wide fundraisers because the process was overlooked during the audit period.

The school's recordkeeping staff assumed responsibility for the school's Book Fair fundraisers to continue facilitating the fundraising activity after the designee transitioned from the school.

Failure to follow the reporting requirements for fundraisers constitutes non-compliance with BOE policies and procedures. In addition, it decreases the transparency of the school's fundraising activities and the associated profits to interested parents and community members. It could not be readily determined whether the school's fundraisers yielded an overall profit. A lack of appropriate segregation of duties creates the opportunity for errors or fraudulent acts to be concealed.

Recommendations: The principal must establish internal controls to monitor completion of all the fundraiser reports required. The principal or a designee should be required to complete reports at the end of the school year to summarize fundraising activities held. Required reports must be maintained on file and made available for public and auditor review.

Someone besides the recordkeeping staff should be identified for the administration of future Book Fair fundraisers.

2027.04 Delinquent Monthly Bank Reconciliations

There were at least **three** instances where monthly bank reconciliations and monthly financial reporting were not prepared by the recordkeeping staff and/or reviewed by the principal in a timely manner. The delinquencies ranged from **13** to **29** days.

The APM Section 5.1.2 *Monthly Reconciliation and Financial Reporting* states that the bookkeeper is required to complete the monthly bank reconciliation within 7 days after receiving the statement from the bank. All financial reports are required to be completed by the 15th of the subsequent month and submitted to the principal for review and approval.

The school's July 2025 bank statement was received late while the school was out of session for the summer break and completed when recordkeeping staff returned and resumed their responsibilities in September 2025.

The school's November 2025 bank statement was received after the recordkeeping staff had commenced leave during the winter break and was completed upon their return in January 2025.

The school's recordkeeping staff commenced extended leave beginning in March 2026, resulting in that month's financial reporting being completed on April 26, 2026.

The principal's fiscal responsibility is compromised when monthly reporting is not prepared and/or reviewed timely. Timing differences or other errors may not be detected and corrected promptly when the reconciliation process is not performed as intended.

Recommendations: The principal and recordkeeping staff should implement internal controls to ensure that the monthly financial reporting process is performed in accordance with the schedule requirements included in the APM (bank reconciliation within 7 days of receiving the statement from the bank and the completion of financial reports by the 15th of each month).

2027.05 Records Retention

There were at least **21** instances where documentation to support the administration of SAF was not available for review as follows:

- **13** duplicate deposit tickets supporting cash receipts
- **Six** cancelled check images
- **Two** Voided Checks

The APM Section 6.12, *Record Retention*, requires all SAF records to be retained for a period of seven years and/or until audited including the current fiscal year.

The school's bank account changed from SunTrust to Truist during the audit period. As a result of the transition, the deposit tickets provided to the school no longer included duplicate copies. During the transition period, cancelled check images that were originally included with the school's monthly bank statements were not included in the new bank statements. Inclusion of cancelled check images with the school's bank statements resumed several months later.

Two checks were voided during the audit period to correct errors that were recorded in the accounting system. These checks numbers were duplicated in the SFO accounting system.

Failure to make financial records available for audit constitutes noncompliance with BOE policies and procedures and compromises the audit trail necessary for determining compliance with applicable requirements.

Recommendation: The principal must establish a standardized and consistent records management system, which ensures that all financial documents are secured, retained and retrievable upon request.

2027.06 Administration of Vending Machine Contract

The school operates two staff vending machines. A contract for the current school year was not available for review.

The APM Section 9.8 *Vending Machine Sales* states, "All schools with vending machines must have a signed contract stipulating commissions due to the school and frequency these commissions are remitted. The contract term cannot exceed one year."

The principal was not aware of the requirement to renew the school's vending contract on a yearly basis.

Recommendation: The Purchasing and Supply Services Office is reportedly in the process of negotiating a new contract with the vending machine vendor. Pending the results of this process, the principal should engage the vendor to acquire an updated vending contract with the terms and conditions that are consistent with the requirements of the APM regarding vending machines administration.

2027.07 Improvement Needed in Management Oversight

The principal did not exercise proper oversight in administration of the school's SAF during the audit period. The previous audit included **six** findings, **four** of which are repeated in this audit report.

According to APM Section 3.2.1 *Principals*, the principal acts as the fiduciary agent for the SAF. As such, responsibility for accounting, safeguarding, and managing the SAF in accordance with PGCPS policies and procedures rests solely with the principal.

The principal did not adequately implement the recommendations from the school's previous audit for the period ended, June 30, 2020, and did not provide effective oversight to adequately identify and address weaknesses in the school's control environment.

Several BOE policies and procedures established in the APM were not followed, resulting in the school's internal controls being compromised. Students are not receiving the maximum possible benefit of the resources available to them.

Recommendations: The principal should carefully review the policies and procedures as defined in the APM and develop internal controls to ensure compliance. There should be consistent involvement in daily operations relating to the administration of the school's resources. Improvement of the internal control environment should be emphasized by focusing on these **5** basic principles:

- Clearly Defined Lines of Authority and Responsibility;
- Segregation of Duties;
- Maintenance of Adequate Documents and Records;
- Limited Access to Assets; and
- Independent Checks on Performance.

STATUS OF PRIOR AUDIT FINDINGS

The previous audit for Francis Scott Key Elementary School was issued for the period ended June 30, 2020. During the previous audit the current principal and recordkeeping staff were on staff' There were **six** reportable conditions noted during that audit and **four** were repeated in this audit.

- Mismanagement of Receipts – Condition was not noted during this audit.
- Mismanagement of Disbursements – Condition still exists. See Finding **2027.02** regarding *Mismanagement of Disbursements.*
- Fundraiser Forms – Condition still exists. See Finding **2027.03** regarding *Administration of Fundraisers.*
- Monthly Reconciliations and Financial Reporting – Condition still exists. See Finding **2027.04** regarding *Delinquent Monthly Bank Reconciliations.*
- Records Not Located – Condition still exists. See Finding **2027.05** regarding *Records Retention.*
- Year-end Monetary Transmittal Envelopes Submission – Condition was not noted during this audit.

ACKNOWLEDGEMENT

We would like to thank the principal and staff of Francis Scott Key Elementary School for their cooperation and assistance extended during the audit.

PGCPS

Francis Scott Key Elementary School
School Activity Funds
Audit Report Appendix - Findings Timeline
May 31, 2026

AUDIT FINDINGS	RaeShauna Mboma Principal Full Audit Period	Tia Exum Recordkeeping Staff Full Audit Period
2027.01 Funds Deposited Without Appropriate Documentation	X	X
2027.02 Mismanagement of Disbursements	X	X
2027.03 Administration of Fundraisers	X	X
2027.04 Delinquent Monthly Bank Reconciliations	X	X
2027.05 Records Retention	X	X
2027.06 Administration of Vending Machine Contracts	X	X
2027.07 Improvement Needed in Management Oversight	X	X
Total	6	6